

**Office of Financial Management  
RISK MANAGEMENT DIVISION**

## Preparing Narrative for Self-Insurance Premium Decision Package –Section 12

SAMPLE  
SAMPLE

### **Guidelines for Using this “Sample”**

*Agency size, organization, mission, and risk type differences make it is impossible to create a meaningful one size-fits-all “master sample” for Section 12 on Risk Management. Instead, this document provides a range of “sample” responses under each item that factors in those agency differences. The “sample” statements under each category are provided to initiate ideas and concepts for developing each agency’s unique response. They are not designed to be “plug-in” responses. Agencies are encouraged to elaborate on and modify all sample responses used so that final budget document material accurately and comprehensively reflects the agency’s own risk management data, strategies, goals, and accomplishments.*

### **1. Self-Insurance Premium**

**Provide the dollar amount of your agency’s self-insurance premiums for previous (2001-03), current (2003-05), and upcoming biennia (2005-07) in the decision package narrative. (In the fiscal detail area, enter only the incremental increase or decrease from 2003-05.)**

<b>Previous FY 01-03 Biennial Total</b>	<b>Current FY 03-05 Biennial Total</b>	<b>Upcoming FY 2005-07 Projected</b>	<b>Incremental Increase/Decrease FY 03-05</b>
\$200,000	\$350,000	\$390,000	\$40,000 Increase

**Tip:** *If desired, augment chart with a narrative section to outline significant changes, issues or anomalies relating to the increase/decrease. It is not necessary to include separate data charts or graphs.*

### **Premium Allocation Formula - Background Information**

An actuary retained by the Risk Management Division of OFM estimates the outstanding tort liability annually. The expected costs of the general liability and automobile liability programs for the 2005-06 and 2006-07 program years are allocated across all agencies participating in the Self-Insurance Tort Liability Program. The allocation of the total costs to general liability and automobile liability is based on the distribution of historical losses between the two programs.

The allocation formula used for the 2005-07 biennium is different from the formula used for the 2003-05 biennium. The new formula *places additional emphasis on claims experience* for each agency and eliminates other evaluation criteria such as FTEs. This change to the formula may result in an agency’s allocation premium increasing from the premium for the 2003-05 biennium. Increased allocation premium may not indicate that an agency’s actual tort claims experience has developed adversely. Some agencies will experience a significant increase or decrease in premium as a result of this change.

**TIP:** *If desired, the information above can be used to address the premium allocation formula changes made since the previous budget period.*

## 2. Past Agency Loss Trends

**Summarize your agency's loss trends over the last five years. Include information to address whether the loss trends match the risks your agency has identified.**

***TIP:** An additional numeric breakdown of claim losses is not necessary. Frequency, severity, claim type review etc., can be addressed adequately via narrative comments. References to specific claims should be general in nature and should NOT include confidential information related to specific closed (or pending) claims or lawsuits. Confer with legal staff if there are questions or concerns about the confidentiality of information provided.*

### Sample 2A

Our claim payouts by category of loss for year are indicated as follows:

We had two high cost claims in \_\_\_\_\_ [time period or year], involving \_\_\_\_\_. While the agency has experienced claims in the bodily injury category in the past, the two claims in \_\_\_\_\_ [time period or year] represented a considerably higher cost than in previous years. Since that time the agency has emphasized loss reduction in [example] vehicle operations, and losses have continued to decline. Claims from [example] civil rights cases involving state employees are a potential risk area for any agency, regardless of size. Since our agency developed new policies and provided extensive training for supervisors and managers, we have seen a reduction in these losses. The agency will continue to monitor claims in this category to determine strategies that will help mitigate these types of losses.

### Sample 2B

Our agency had 0 claims for the period FY \_\_\_\_\_. We do not have a great deal of loss history to draw from, but will continue to monitor types of losses experienced by other agencies to pinpoint areas of potential loss for our agency. We contact the Risk Management Division for assistance and information on a regular basis.

### OR

Our agency had one (1) claim for [example] bodily injury involving \_\_\_\_\_. This is the first claim we have had in \_\_\_\_\_ years, and does not represent a type of claim this agency has experienced in the past. However, our agency has implemented loss prevention strategies to mitigate repeats of this type of incident/claim. These are discussed in item four.

### Sample 2C

Over the past \_\_\_\_\_ years, the loss trend for indemnity paid has remained relatively stable with the exception of the \_\_\_\_\_ fiscal year, which incurred a rather large claim payout. The indemnity payout trend for the past three years indicates that Agency/College receives a number of small claims related to vehicle accidents. These represented approximately one-half of the claims, with the bulk of the claims related to accidents occurring during \_\_\_\_\_ [identify time period].

### Sample 2D

- Takings Claims – The Attorney General will continue to defend our legal position on this claim category.
- Motor Vehicle Accidents – While the Agency has had minimal losses in this area for the past \_\_\_\_\_ years, our agency recognized this is always a potential risk area. As such the agency has a policy in place to require defensive driver training for all state vehicle drivers.
- Employment-Related Actions – The Agency has not had any claims filed or payouts due to employment practices. Policies and procedures have been implemented and managers are required to attend identified training geared to avoiding types of issues or problems claims that generate loss in this category. We recognize that this is another area of potential loss that can impact any state agency, and that we must be vigilant in loss prevention.

Sample 2E

Agency efforts over the years have resulted in a very low number of lawsuits for claims against the agency and state. As part of ongoing programs and activities, the agency has routinely taken actions to ensure that risks or harm to employees and clients, as well as damage to equipment are minimized. The agency has experienced \_\_\_\_\_ claims since \_\_\_\_\_. They fall into three general categories [indicate categories—samples may include: vehicle accidents of state employees, civil rights claims filed by employees, and citizens charging abuse of process—or other more agency specific types of losses such as negligent supervision]. Total claims paid out since \_\_\_\_\_ have totaled \$\_\_\_\_\_. As of \_\_\_\_\_ the agency has no outstanding claims.

Sample 2F

Agency/College has paid \$\_\_\_\_\_ in claims over the last \_\_\_\_\_ years. [Number] \_\_\_\_\_ claims remain open. [Number] \_\_\_\_\_ of these claims resulted from [sample] automobile accidents and \_\_\_\_\_[number] involve a [example] civil rights issue. [Number] \_\_\_\_\_ of the auto liability claims involve personal injuries. Only one case may potentially result in a settlement, but it is still too early to determine that.

Sample 2G

Agency/College's loss trend over the last \_\_\_\_\_ years includes settlements for \_\_\_\_\_[indicate agency's own experience—sample might include: civil rights actions, bodily injury and vehicle damage from auto accidents]. The highest paid settlements were for \_\_\_\_\_ [example: civil rights actions filed by state employees, and one civil rights action filed by a citizen against the agency]. The highest paid settlements were for \_\_\_\_\_ [indicate type] settlements totaling \$\_\_\_\_\_, and \_\_\_\_\_ [indicate number] \_\_\_\_\_ [indicate type] claims with, \_\_\_\_\_ [indicate number] settlements at approximately \$\_\_\_\_\_ each, and one claim exceeding \$\_\_\_\_\_. The remaining settlements are relatively minor in comparison. The average number of settlements per biennium is \_\_\_\_\_. As of \_\_\_\_\_ [timeframe], there were \_\_\_\_\_ pending claims for our Agency/College.

Sample 2H

The number of general liability claims and dollar values have shown similar dramatic reductions with the number of claims dropping \_\_\_\_\_% (from \_\_\_\_\_ years ago to \_\_\_\_\_ in the last fiscal year). The total cost of claims is even more dramatic, with losses, dropping from \$\_\_\_\_\_ to \$\_\_\_\_\_. We attribute this to the following actions the agency has taken to address general liability claims: [list actions]. We have not had an auto liability claim during the period of \_\_\_\_\_ to \_\_\_\_\_, and driving by our agency employees continues to be minimal. We intend to be vigilant about driving safety for the few employees with driving duties. See item number seven for a review of our loss prevention goals.

### **3. Future Agency Loss Trends**

**Summarize your agency's potential future loss trends and explain strategies your agency will use to mitigate/preclude these losses from occurring in the future.**

#### *Sample 3A*

The agency maintains a small fleet of state vehicles, and loss history reports in the past have indicated that auto accidents are the major sources of losses, both in frequency and severity. While **Agency/College** has introduced several strategies to reduce vehicle-related losses, we anticipate the auto accidents will continue to be our major source for potential losses as evidenced by past losses and due to the fact that a high number of our employees drive state vehicles. While these continue to be our greatest risk in the future due to size of our fleet and number of drivers, we have the following plans in place to monitor these claims and seek and implement steps to mitigate these identified risks **[or reference actions in item seven if they are addressed there in your budget document]**.

#### *Sample 3 B*

While the agency has experienced only \_\_\_\_\_ **[number]** losses in the past \_\_\_\_\_ years totaling \$\_\_\_\_\_, an effective loss prevention program is consistent with **Agency/College's** mission to provide a regulatory foundation for all aspects of **[briefly identify agency services or requirements]** in order to **[example]** protect the public and assure the overall health of the industry.

#### *Sample 3C*

As an **agency/college**, we face unique risks related to \_\_\_\_\_ **[students/patients/clients or whatever is applicable]** and the type of instruction that is conducted. We believe that previously identified categories of loss will continue to be a factor for future losses, although the agency is committed to loss prevention strategies that will continually challenge the occurrence of existing or new types of loss. Current risk categories include:

- Automobile property damage and bodily injury
- Air quality and hazardous materials
- Bodily injury and property damage
- Civil rights claims
- Financial Loss
- Catastrophic Property Loss
- High Risk Educational Programs
  - Science and Health professions
  - Aviation
  - Cosmetology
  - Welding
  - Early Learning Center and Early Childhood Education
  - Swimming/Athletics
  - Fire Science/EMT
- Foreign Travel
- Organized Student Activities on/off campus

#### *Sample 3D*

As an ongoing part of the risk management function of the agency, **[title of person that applies]** and designee reviews past losses at least quarterly to determine whether a similar loss can be prevented in the future. If it is determined that there is specific areas of risk, the affected division or program will be consulted and requested to develop a policy and procedure to minimize future risk. The policy or procedure will be reviewed by the agency Risk Management Committee. The committee confers with OFM or AG as appropriate to ensure all standards are met and other liabilities are not created by the creation of a new policy. If appropriate, additional training is provided to staff to ensure adequate communication of the new policy requirements. Business changes always present potential for future risk. We have asked managers to include risk management assessment in planning all business/program changes.

Sample 3E

Our agency has had a solid history of minimal loss, and we cannot determine any specific area where we think a new trend might emerge. The VPs of Administration and Fiscal Operations coordinate on an ongoing basis for the purpose of implementing policy, and monitoring and analyzing facility [campus] use procedures for all staff/student programs. We also monitor other possible risk related activities conducted at our facilities. An example of risk management strategies for reducing facilities loss:

- Procure additional insurance policies (asking for assistance and guidance from RMD)
- Use hold harmless agreements in contract documents for off-campus/non-state agency groups, etc.
- Use release, waivers, indemnification, and assumption of risk forms as recommended by the AG.

Sample 3F

Our agency's losses have been minimal. Losses for the past \_\_\_\_\_ years have been limited to \_\_\_\_\_ [indicate number] minor vehicle accidents, and \_\_\_\_\_ [indicate number] student injuries. Agency\College has not experienced credible threats of litigation and does not have impending plans or programs in high-risk categories such as \_\_\_\_\_ [specify--example might be: "does not intend to offer more high risk educational or training programs such as aircraft maintenance").

Sample 3G

It is likely the major tort liability facing the agency will continue to be \_\_\_\_\_. There are several reasons for this continued trend. Currently, there are approximately \_\_\_\_\_ claims arising from events that occurred due to \_\_\_\_\_ [indicate type] from \_\_\_\_\_ [indicate time period] to present. Generally there is a lag time of several years between the loss date and final resolution of these types of lawsuits. There is also a lag time between identification, implementation, and impact of any loss prevention strategies. Currently, \_\_\_\_\_ [indicate number] verdicts are on appeal. It is likely the outcome of these cases will have impact on future claims and potential litigation brought against our agency. At this time, it is difficult to predict how significant that impact may be.

#### 4. Risk Management Goals and Measures/Recap

Discuss the agency's risk management goals and associated performance measures. Include a recap of the accomplishment of the 03-05 goals.

##### Sample 4A

Vehicle accidents represent \_\_\_\_\_% of the agency's tort losses that have occurred for the past \_\_\_\_\_years. In response to that percentage, the agency concentrated loss prevention efforts in that area through the following actions:

- [List actions].

As a result of these strategies, in\_\_\_\_\_, our agency achieved a \_\_\_\_\_% reduction in \_\_\_\_\_ [identify type] losses. We will continue to monitor our losses and strive for further reductions. Our reduction goal for \_\_\_\_\_ [time period] is\_\_\_\_\_ %.

##### Sample 4B

Goals 1 - Maintain claims filed and paid at five or less per year valued at \$ \_\_\_\_\_ or less. Performance measures:

- Are claims paid less than five per year?
- Are claims paid less than \$ \_\_\_\_\_or %\_\_\_\_\_ of budget per year?
- Etc.

Goal 2 - Improve employee training and resources for supervisors in diversity, hiring, discipline and employee development. Performance measures:

- How many supervisors were trained during each year?
- Is a supervisor's handbook available as a resource?
- Has the percentage of supervisors receiving training increased?
- Have we conducted an audit of existing policies to determine their effectiveness?
- Have updates been recommended and implemented?

Goal 3 – Make capital investments in facilities that represent risk avoidance.

- Obtain funding to update the \_\_\_\_\_ building to improve building security in handling events such as \_\_\_\_\_.
- Complete work on air quality improvement in \_\_\_\_\_ building to address air quality concerns and generally upgrade and improve the efficiency of the HVAC system.
- Complete work on sidewalk repairs to reduce the minimize risks of injury from slips, trips, and falls.
- Complete work on electrical system replacement to minimize fire risks.
- Complete work on parking lot lighting and traffic routing improvements to minimize potential parking lot-related incidents.
- Elevator improvement to reduce wheelchair related damage and improve disabled access.

[etc.]

##### Sample 4C

Agency/college has taken the following actions to minimize identified agency risks:

- Human Resources is in the process of collecting and revising all HR policies and procedures for consistency and clarity. Target date for completion is\_\_\_\_\_.
- An electronic on-line copy of the complete manual of personnel policies is in the final stages of completion. Target date for completion is\_\_\_\_\_.
- To further mitigate future HR related claims, the agency is planning to offer one scheduled training each quarter on \_\_\_\_\_ [e.g., employee issues, ergonomics, identify theft, etc.] Worksite education and responsibilities, attention to following the chain of command, as well as add-on management style information has been presented at headquarters and at \_\_\_\_\_off-site field locations [customize this last sentence as needed based on agency activities].

*Sample 4D*

Programs that **Agency/College** operates carry inherent risks that can never be fully eliminated. However, our agency management continually evaluates risk, and balances the cost of mitigation against the potential cost of losses. Our long- term track record for the past \_\_\_\_\_years indicates that we have been successful thus far in balancing these factors. However, we will continue to critically assess risk in all facets of our organization on an ongoing balance, and make it a priority in our business planning and operations. The following are specific examples of risk management related actions that we feel reflects our attention to risk management and loss prevention:

- **[List examples]**



## 5. Risk Management Executive Order Recap

Discuss the accomplishments the agency has achieved in response to the Governor's Executive Order #01-05 [Risk Management].

**TIP:** Executive Order #01-05 is provided below in its entirety for your reference as needed.

### Executive Order 01-05 - (Risk Management)

**WHEREAS**, the state of Washington, its employees and licensees provide critical and necessary daily services to tens of thousands of citizens of our state in many settings, and those services protect vulnerable people and the general public from harm;

**WHEREAS**, the people, state executives, the courts and the legislature recognize that law enforcement, child protective services, prison and correctional services, and long-term care for people with disabilities are just a few of the areas where the state is facing tremendous challenges in delivering services to an expanding population;

**WHEREAS**, in recent years, incidents of harm to innocent members of the public have received significant attention from state executives, the legislature, the courts, the public and the media, and some of those incidents have resulted in significant liability for the state;

**WHEREAS**, it is important that we do everything we can to reduce harm to vulnerable individuals and other citizens of our state, whether criminals under state supervision, contractors, licensees, or any other factor related to a state service or program cause it;

**WHEREAS**, judgments and claims against the state have reached unprecedented levels as the state is held liable for injuries and losses - some of which may have been avoidable - and all stemming from findings that the state, and often, others with whom the state is jointly and severally liable, were negligent;

**NOW THEREFORE**, I, Gary Locke, Governor of the state of Washington, hereby order and direct the following actions:

#### **1. Best Practices. All agencies shall:**

- a. **Prioritize loss prevention through developing and meeting focused management goals** and efforts in partnership with the state's risk management office.  
Allocate resources, to the greatest extent feasible, to services for which the state is at greatest risk of liability, with the goal of preventing or mitigating loss while meeting service expectations and responsibilities. In doing so, agencies should: 1) among information systems, technologies, and funding requests, prioritize those that support high-risk services and serve to mitigate risk; and 2) within available resources, prioritize training for service delivery staff and supervisors relevant to reducing losses and significant claims.
- b. **all aspects of employee performance**, including holding people accountable for agreed-upon performance expectations. Review agency policies and, as necessary, simplify and provide written guidance to program staff and service providers that is concise, relevant, easy to understand, and provides practical direction for quality services.  
Identify and take steps to involve employees, community members served by the agency, and advocates in efforts to lessen the risk associated with services delivered by the agency.

2. **Miscellaneous.** This executive order shall take effect immediately. This order does not create any right, duty or benefit, substantive or procedural, at law or in equity that may be asserted against the state, its officers, employees, licensees, or any other person. This order is intended solely to improve the internal management of the executive branch and enhance compliance with the law.

#### Sample 5A

Agency/college has communicated the requirements of Governor's Executive Order 01-05 to all management team members. The management team has reviewed the criteria and determined if the agency/college has responded effectively to all items through existing and current activities that are coordinated through the agency appointed risk manager.

**OR**



1-a. [Agency/college](#) has a designated risk manager who coordinates all risk management activities for the agency and interfaces with the Risk Management Division and/or appropriate agency staff on risk management issues. The risk manager briefs the executive/executive management team on loss prevention activities as well as significant lawsuits or pending claims.

1-b. Risk is evaluated along with other aspects of program needs when preparing budgeting. Measurements of program success to budgeted dollars are compared against claims filed to determine if there are ways to mitigate claims.

#### [Sample 5B](#)

While [Agency/College](#) is not a cabinet agency, complying with the spirit of the Governor's Executive Risk Management Executive Order is a priority, and in doing so we have taken the following actions: [\[list agency action determined to meet the intent of the executive order—some samples are included below\]](#).

- Identified high risk populations and developing loss prevention action plan to mitigate risk for:
  - Children in daycare
  - Vulnerable children and adults being care for at on-site practicum locations
- Created partnership with State Risk Management Office. [Agency/College](#) regularly consults with RMD.
- Regularly conducts briefings with executive management teach on risk management topics by the agency-designated risk manager.

#### [Sample 5C](#)

A small budget was established just for HR training to send the division head or designee to HELP Academy training. Unfortunately budget, was not available for all managers to attend. Those attending the training were requested to provide an overview of the training at management team meetings to help provide maximum benefit from the training for those who were able to attend. We intend to continue to find creative ways to maximize risk management benefits within our limited budget.

#### [Sample 5D](#)

[Agency/College](#) has taken a number of risk management actions to date, which are intended to demonstrate our current and ongoing commitment to carrying out the Governor's intent in EO 01-05. The following outlines completed and ongoing risk management activities:

- All policies have been reviewed (including AG review), rewritten, revised and approved by the district board of trustees/executive management team within the past two years (begun prior to the executive order).
- All agency procedures have been reviewed (including AG review), rewritten or are in the process of being rewritten, and revised. This process is under the oversight of the [Agency/College](#) \_\_\_\_\_.
- The district ethics officers for all program areas conducted formal ethics training during the past twelve months.
- The Executive Team now includes a risk management review for the previous year at their February meeting. A status report of risk management activities is presented by \_\_\_\_\_.
- The agency risk self-assessment is scheduled for full review by the entire Executive Team by \_\_\_\_\_.

Sample 5 E

The following are activities we feel demonstrate this agency's efforts to comply with the Governor's Executive Order. We accomplished the following:

- Met with the Risk Management Division staff to review the agency's insurance coverage and sought advice from them regarding areas of risk we might look for based on their experience with other agencies.
- Conducted an annual risk assessment as part of our annual audit process. The management team was ask to review practices and policies that might contribute to areas of high risk.
- Instituted a risk management oversight committee to review programs for areas of high risk. This committee will include staff from [example] AG, facilities, budget, human resources, safety and security programs, \_\_\_\_\_, and \_\_\_\_\_. They will recommend policies and prevention strategies to the agency's executive management team, provide general advice to programs, and consult with the Risk Management Division as when needed [elaborate further as needed].

Sample 5 F

Steps Taken to Implement the Governor's Executive Order:

- Reorganized a decentralized program to an agency-wide risk management program under a centralized administrative unit to better administer, monitor and report progress.
- Identified automobile liability, employee safety and adverse employment actions as potential areas to more proactively manage risk.
- Incorporated risk reduction goals and measures into the agency balanced scorecard.

Agency Risk Management Goal:

- Reduce the number and size of tort claims and tort payments awarded against the agency by \_\_\_\_% within \_\_\_\_ years.

## 6. Key Risk Analysis

Discuss the key risks, challenges of the agency, and the level of risk it is willing to accept.

### Sample 6A

Agency/College maintains numerous contracts, and is in the process of reviewing all contracts for the appropriate liability language. Other than contracts, another key risk is driving or vehicle accidents, particularly 15-passenger vans. Our agency currently has \_\_\_\_\_ 15-passenger vans and will continue to operate them with only 10 passengers until the vans are ready for disposal. In view of the continuing focus on safety issues associated with 15-passenger vans, the agency will review alternative transportation modes to the 15-passenger van for transporting groups of employees or students, so that decision making and budgeting will be in place when existing vehicles are ready for disposal.

### Sample 6B

Agency/College has reviewed all the board-approved policies with the assistance of the Office of Attorney General. The agency maintains a commitment for ongoing policy review. This will be accomplished through analysis of our own agency tort claims experience, which includes conferring with other agency staff, and conferring with the Risk Management Division to keep abreast of tort issues in our own agency or on a statewide basis.

### Sample 6C

Agency/College has reviewed its risks and are taking the following loss prevention actions:

- We attempt to limit contractual exposures to risks by carefully reviewing all contract terms, negotiating any changes we believe are in the best interests of the agency/college or state, and complying with the recommendations provided the Office of Attorney General.
- Our business office staff members monitor the financial transactions of the agency according to all generally accepted accounting principles prescribed by OFM and State Auditor's Office. We have internal control practices in place to help prevent financial-related crimes. We cooperate fully with all entities auditing us, and are proud of the excellent record we have earned and intend to continue to earn through the ongoing efforts described above.
- The training department regularly assesses training needs--especially high-risk training needs and provides the funding for identified high-risk training.
- The agency requires and documents a formal evaluation process for its employees, coordinated through HR.
- Employees are held accountable for responsibilities assigned to them.
- Routinely use all-agency e-mail to notify employees of safety/risk management concerns whether they involve our agency, another agency in the state, or governmental as whole on the regional or national scene (i.e., information from US Postal authorities on ways to spot suspicious packages).
- Continue to expand our pass access system to target areas where losses have been greatest--computer and audiovisual equipment thefts.
- We will also continue to assess and implement as recommended cameras and other technological devices for monitoring cashiering operations and cashier equipment.

### Sample 6D

Historically our agency has had little to no tort loss. However, that changed in \_\_\_\_\_ when we had four separate incidents. Our analysis did not show a specific trend among the incidents, but rather situations that could be improved with a minimal loss prevention effort. Our agency/college continues to offer programs/services that have a higher degree of risk such \_\_\_\_\_ and \_\_\_\_\_. These courses/programs are in high demand and we believe there is a need to provide the courses/program services based on \_\_\_\_\_. We plan to mitigate loss in our agency/college by focusing in on these courses/programs to determine strategies needed to maintain an adequate level of service with minimal amount of risk. One of our key risk management strategies that we ask for budget support on is the replacement of aging and outdated equipment and machinery used in our \_\_\_\_\_ programs [this is only a sample statement—information included here should elaborate on the specific program or agency needs].

Sample 6E

The nature of governing laws and regulations and/or court interpretations are such that we can generally predict that tort claims and /or lawsuits will be filed against our agency in spite of ongoing loss prevention efforts, especially in the area of \_\_\_\_\_. Court decisions regarding \_\_\_\_\_ have and continue to impact our policies and procedures. We continue to assess our policies and procedures and implement changes identified through an ongoing risk assessment process conducted annually. We work closely with Attorney General staff and seek their assistance in determining strategies for mitigating areas of risk that are challenging to eliminate through more typical means of risk management.

*[Identify past or future strategies that pertain to high-risk areas that may be covered under other headings in this budget document--example: "Recently the Commissions adopted a policy clarifying their responsibilities as compared to the administrative responsibilities to the Executive Secretary. This helped to clarify lines of authority".*

In addition to the challenges noted above, this agency is not unlike the medium to small agencies that experience the more typical state government tort losses found in vehicle accident and employment practice claims.

Sample 6F

Although the agency has experienced only \_\_\_\_\_ [number] losses in the past \_\_\_\_\_ years totaling \$\_\_\_\_\_, integrating loss prevention into our operations is consist with Agency/College's mission to "\_\_\_\_\_". Agency/College welcomes this opportunity to continue to review its mandated rules and all agency procedures and policies.

Sample 6 G

As part of the agency budget process for 05-07, we are requesting \_\_\_\_\_ FTE's for addition to the \_\_\_\_\_ program to reduce current backlog of\_\_\_\_\_, provide faster response to customer and stakeholder inquiries, and enables us to certify information on agency records is accurate. This addresses an area where we have had some loss in the past, but with recent changes caused by\_\_\_\_\_, we see a potential for related losses in the future. We continue to closely monitor this area of our operations to determine the effectiveness of the new policy changes and any addition or modification required to enhance the risk mitigation effort.

Sample 6H

The agency will continue efforts to minimize automobile liability claims through defensive driving courses and refresher updates. However, given the number of vehicles operated by agency employees and the broad range of duties expected of permanent and temporary staff, we believe an average of \_\_\_\_\_ to \_\_\_\_\_ [number] automobile tort claims per year over the past six years demonstrates the success of our defensive driving program, which continues to get high level agency support. In spite of what we consider to be an acceptable level of loss considering the exposure, our risk manager is committed to work with the executive team to determine innovative means of further reducing auto incidents and claims. Specifically, this has resulted in the following actions:

- [List actions, or you may want to reference items four or seven if applicable and already discussed in those sections.]

Sample 6I

Adverse employee action presents a potential for increased legal action against the agency. Employment law and management practices are rapidly changing. While we have had \_\_\_\_\_ claims filed in this area in the past \_\_\_\_\_ years, there have been no payouts. As a result, agency management is focusing on the following areas as part of the risk management effort. Agency/College will re-focus efforts around training managers on employment law via the HELP Academy modules. Attendance will be a new requirement for all managers. We expect to have 50% of managers trained by\_\_\_\_\_.

*Sample 6J*

The nature of governing laws and regulations are such that we can generally predict that tort claims and /or lawsuits will continue to be filed against our agency/college. Existing or new court decisions could also impact our agency operations, resulting in changes to our operations, which in turn opens the door new types of potential loss. In response to this, the agency will take the following action to address believes the following activities mitigate this perpetual risk.

*Tip:* *Identify key strategies that apply or reference where they are covered in other sections of the document.*

## 7. Risk Management Goals and Measures Planned

Discuss risk management goals and performance measures for 2005-07.

### Sample 7A

Agency/college has established the following goals for (1) reducing loss, (2) complying with Executive Order 01-05, AND (3) continue an ongoing effort to reduce tort liability for the 2005-07 biennium:

<b>1. Goal</b> <u>Measurement</u>	<b>Conduct an agency risk self-assessment by June 2003.</b> Risk-self assessment conducted by _____ and presented to executive management for discussion and action plan development by _____.
<b>2. Goal</b> <u>Measurement</u>	<b>HELP Academy training attended by 50% of managers by December 31, 2005.</b> HR tracks management attendance and provides semi-annual reports to Director/College President of those in and out of compliance with the requirement to complete the training.
<b>3. Goal</b> <u>Measurement</u>	<b>Quarterly e-mail sent to supervisors/manager on "HR best practices".</b> A file of informational e-mails is maintained by _____ for future reference or discussion and planning and comparison with loss history data.
<b>4. Goal</b> <u>Measurement:</u>	<b>Agency policies implemented on: reasonable accommodations, outside employment and ethics. Training is added to on-line orientation process.</b> Policies are developed and placed in the on-line orientation process by June 2005.
<b>5. Goal</b> <u>Measurement</u>	<b>Establish: Quarterly presentation by agency risk manager at executive team meeting. Status report on losses and risk mitigation efforts to date.</b> Risk manager is scheduled in executive team meetings to provide status reports of losses and participate in discussion of mitigation strategies.
<b>6. Goal</b> <u>Measurement</u>	<b>Review outreach activities (education) to determine effectiveness in gaining citizens' voluntary compliance with agency regulations.</b> No or fewer tort claims filed with claims alleging problems with the manner in which the agency carried out its regulatory obligations.

### Sample 7B

**Tip:** Goal setting and discussion of accomplishments may be numerous, especially for larger agencies and colleges. If so, agencies may wish to group discussion of accomplishments or goals under topic headings.

The following are possible topic headings:

- Legal process and adjudication
  - Goal: Presentation by AG investigators for \_\_\_\_\_ and \_\_\_\_\_ managers.
  - Goal: Etc.
- Technology/data security
- Sensitive Personal Information
- Investigations
- Personal Safety
- Personnel/Human Resources
- Staff Training and Competence
- Protecting Resources (cash receipts, expenditures, credit cards, SCAN access, etc.)
- Special high risk programs or activities
- Auto accidents

Sample 7C

The goal of [Agency/College](#) is to reduce human rights related claims and to provide a safe education and working environment for students, faculty, staff and visitors. Reducing employment-related risk is the current “focus” of the Risk Management Division. Our goals in support of the reduction of employment related loss include:

- [\[List of actions\]](#)

Sample 7D

- Formalize and finalize a risk management policy statement. Communicate the policy throughout the agency.
- Evaluate the need for additional training for managers on the financial impact to the agency of tort claims.
- Complete risk assessment process and determine at least two new risk management mitigation strategies to implement for the \_\_\_\_\_biennium.

Sample 7E

- Implement an agency/college-wide risk management policy by\_\_\_\_\_.
- Develop a training plan to communicate the plan to staff by\_\_\_\_\_.
- Continue to work with the Auditor's office to reduce potential loss. Report on actions taken by\_\_\_\_\_ to\_\_\_\_\_.

Sample 7F

- Goal 1 - Create a protected walkway area through a busy pedestrian area that interfaces with a main campus roadway, where there have been several incidents, but no claims filed.  
Measure: Walkway installed and monitored for effectiveness for 6 months. Adjustments made if need is determined.
- Goal 2 - Install \_\_\_\_\_ parking and outside lights to increase personal safety and security in the southwest parking area of the office building or campus.  
Measure: Lights installed and operational. Effectiveness monitored for 6 months and adjustments made if indicated.

Sample 7G

One of our risk management strategies is to use a consultant to develop a long-term plan related to\_\_\_\_\_information dissemination. This consultant will address automation or technology applications that will replace existing manual processes. In the long run this will reduce errors and turnaround time in record maintenance. The consultant will begin the process by \_\_\_\_\_, with final recommendations to the agency on \_\_\_\_\_ [\[date\]](#).

Sample 7H

Our agency goal is to lower incidents and tort claims against the agency, resulting in lower self-insurance costs. We will focus management attention on areas of our operations that contribute to loss and are inconsistent with our goal to be a well-managed agency.

Performance Measure Detail

Goal: [Agency/College](#) is a well lead and managed agency

Outcome Measures:

	FY05	FY06
1-Tort claims filed annually (identify typical claim type)	-3	-5
2-Dollars paid to settle agency user tort claims annually	-3000	-5000